

**Department of Legislative Services**  
Maryland General Assembly  
2012 Session

**FISCAL AND POLICY NOTE**

Senate Bill 404

(Senator Brinkley, *et al.*)

Budget and Taxation

Ways and Means

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**Sales and Use Tax - Exemption - Home Wheelchair Lifts and Stairlifts**

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This bill exempts the sale of home wheelchair lifts and stairlifts from the State sales and use tax.

The bill takes effect July 1, 2012.

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**Fiscal Summary**

**State Effect:** General fund revenues decrease by a minimal amount beginning in FY 2013 depending on the number and price of home wheelchair lifts and stairlifts purchased each year. Under one set of assumptions, general fund revenues may decrease by \$78,000 annually. Expenditures are not affected.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** The State sales and use tax does not apply to the sale of specified health and physical aids including (1) a hemodialysis drug or device, by a licensed pharmacist or by a person who holds a specified permit under the Health Occupations Article, directly to a hemodialysis patient requiring regular home treatment; (2) tangible personal property that is manufactured or adapted specifically to compensate for blindness, including braille slates and paper, items with braille markings, preset insulin syringes, and raised line drawing kits; (3) a decoder for captioned television programs for use by a hearing-impaired individual; (4) a telecommunications device that is adapted specifically

for hearing-impaired individuals and is a device that changes digital codes into tones for transmission through telephone lines, a flashing signal device, or a telebraille machine; (5) an artificial eye, hearing device, or limb; (6) a colostomy or ileostomy appliance; (7) corrective eyeglasses; (8) an orthopedic or surgical appliance prescribed by a physician and designed to be worn on the person of the user; (9) a battery for an artificial hearing device or larynx, transcutaneous nerve stimulator, or electrically powered wheelchair; (10) a replacement cord for an artificial hearing device; (11) crutches; (12) a wheelchair; (13) a hospital bed; (14) an oxygen tent; (15) any other sickroom equipment that the Comptroller defines by regulations or medical equipment that can withstand repeated use, is used exclusively to serve a medical purpose, is not useful to a person in the absence of illness or injury, and is for use in the home or on the individual's person; (16) tangible personal property for installation in a motor vehicle to provide access to the motor vehicle by an individual with a disability, or to permit an individual with a disability to operate the motor vehicle; (17) a wig or hairpiece needed as a result of documented medical or surgical treatment; (18) nicotine patches, nicotine gum, or any other product intended for use as an aid in tobacco use cessation and approved by the U.S. Food and Drug Administration for that purpose; or (19) tangible personal property that is manufactured for the purpose of initiating, supporting, or sustaining breastfeeding, including breast pumps, breast pump kits, nipple enhancers, breast shields, breast shells, supplemental nursing systems, softcup feeders, feeding tubes, breast milk storage bags, periodontal syringes, finger feeders, haberman feeders, and purified lanolin.

**Background:** The State sales and use tax rate is 6%, except for the sale of alcoholic beverages, which are taxed at a rate of 9%. The sales and use tax is the State's second largest source of general fund revenue, accounting for \$4.0 billion in both fiscal 2012 and 2013, according to the December 2011 revenue forecast. **Exhibit 1** shows the sales and use tax rates in surrounding states and the District of Columbia.

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**Exhibit 1**  
**Sales and Use Tax Rates in Maryland and Surrounding States**

Delaware	0%
District of Columbia	6%
Maryland	6% 9% for alcoholic beverages
Pennsylvania	6% plus 1% or 2% in certain local jurisdictions
Virginia	5%; 2.5% for food, both rates include 1% for local jurisdictions
West Virginia	6%; 2% for food

**State Fiscal Effect:** General fund revenues will decrease by a minimal amount beginning in fiscal 2013 for each home wheelchair lift or stairlift sold. However, the number of these items that may be sold each year cannot be reliably estimated.

A search of several Internet websites indicates that a wheelchair lift costs approximately \$6,000 and a stairlift costs approximately \$2,000. As such, sales taxes on the sale of a wheelchair lift will be \$360 and sales taxes on the sale of a stairlift will be \$120 for each unit sold. Industry sources report that due to their expense, wheelchair lifts are sold in far fewer numbers than stairlifts. If, for illustrative purposes only, 50 wheelchair lifts and 500 stairlifts are sold each year, general fund revenues may decrease by approximately \$78,000 annually.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller's Office, AA-Eastern Mobility Inc., Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2012  
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